



October 31, 2007

TO: Michael E. Marshall, Secretary of the Senate  
Mark Brandsgard, Chief Clerk of the House

FR: Mollie K. Anderson, Director, Iowa Department of Administrative Services

RE: 2007 Report – Early Termination Programs

The Department of Administrative Services, in collaboration with the Department of Management, respectfully submits this report pursuant to Senate File 551 (2<sup>nd</sup> Extraordinary 2001 Session), HF 2625 (2<sup>nd</sup> Extraordinary 2002 Session), and HF 2497 (2004 Regular Session). These three pieces of legislation created three termination incentive programs. This report combines the reporting requirements of all three pieces of legislation by reporting on the combined total of employees who participated in each of the programs.

### **Sick Leave and Vacation Incentive (Early Out 1, 2 and 3) Participation**

The initial Early Out Program (EO1) began 11-21-2001 and ended 2-1-2002. The extension of the original Early Out Program (EO2) began 7-8-2002 and ended 8-15-2002. The third Early Out program began 7-2-2004 and ended 9-12-2004.

A total of 1015 positions were vacated as a result of the three Early Out programs. Of those, 988 were on centralized or DOT payroll. The current disposition of those positions is as follows:

<b>TOTAL POSITIONS VACATED</b>	<b>1015</b>
<b>Centralized Payroll/DOT Positions Vacated</b>	<b>988</b>
<b>CP/DOT Positions Filled</b>	<b>415</b>
<b>CP/DOT Positions Vacant</b>	<b>45</b>
<b>CP/DOT Positions Reallocated/Deleted</b>	<b>528</b>

The detail by department of the number of positions that were initially vacated as a result of the three Early Out programs and that were deleted or reallocated can be found in Attachment "A". Data are not readily available for the Community-Based Corrections (CBC) or the State Fair Board since their records are not part of centralized payroll or the DOT.

### **Program Savings for the Early Out Programs**

The term savings is not defined in legislation and may be an inappropriate concept used to describe the net impact of these programs. Attachment "B" provides cost avoidance estimates rather than savings. The programs' goals were to assist department management in dealing with tight operating budgets and to lessen the use of layoffs. The amount 'free to re-allocate'

attributable to the direct impact of legislation and subsequent actions of departments' management which may increase or decrease the net amount are not considered.

**Years of Service Incentive (Buy Out Program) Participation**

The Years of Service Program authorized by SF 551, Section 1 became effective 7-1-2002. As of this report, there have been 14 Executive Branch employees who have left state employment via this program.

Enclosures:

- Attachment "A" – Total Number of Participants and Number of Positions  
Reallocated/Deleted
- Attachment "B" – EO1, EO2, and EO3 Cost Avoidance Estimates

Cc: Dennis Prouty, Director, Legislative Services Agency

NUMBER OF EARLY OUT POSITIONS REALLOCATED OR DELETED

Attachment A

DEPARTMENT	EARLY OUT POSITIONS	NUMBER OF EARLY OUT POSITIONS REALLOCATED	NUMBER OF EARLY OUT POSITIONS DELETED
005-DAS	7	0	4
009-Agriculture	27	0	19
013-Agriculture-Soil Cons	3	0	3
014-Agriculture-Ag Dev	0	0	0
112-Justice	4	1	1
126-Auditor	2	0	1
131-Blind	4	4	0
140-Ethics & Campaign Fin	1	0	0
167-Civil Rights	2	1	0
211-Commerce	0	0	0
212-Comm-Alcoholic Bev	0	0	0
213-Commerce-Banking	3	0	2
214-Commerce-Credit Union	0	0	0
216-Commerce-Insurance	6	2	0
217-Commerce-Prof Lic	0	0	0
219-Commerce-Utilities	3	1	0
238-Corrections	0	0	0
239-DOC-Training Academy	0	0	0
242-DOC-Ft Madison	6	1	3
243-DOC-Anamosa	22	3	6
244-DOC-Oakdale	27	7	7
245-DOC-Newton	4	0	2
246-DOC-Mt Pleasant	12	1	7
247-DOC-Rockwell City	3	0	2
248-DOC-Clarinda	4	0	2
249-DOC-Mitchellville	2	1	1
250-DOC-Prison Industries	2	0	0
251-DOC-Farm Account	0	0	0
252-DOC-Fort Dodge	6	1	3
259-Cultural Affairs	4	0	3
269-Economic Development	6	0	5
270-Finance Authority	1	0	0
282-Education	13	1	7
283-Voc Rehab	15	8	5
284-College Aid	0	0	0
285-Public Television	7	0	1
297-Elder Affairs	0	0	0
309-Workforce Development	91	23	40
333-Information Technology	15	2	13
336-ICN	4	1	3

NUMBER OF EARLY OUT POSITIONS REALLOCATED OR DELETED

Attachment A

337-General Services	4	0	4
338-DGS-Vehicle Dispatcher	0	0	0
339-DGS-Centralized Printing	1	0	1
350-Governor	1	1	0
379-Human Rights	1	0	1
401-Human Services	19	4	13
402-DHS-Community Svcs	82	14	47
404-DHS-Toledo	5	0	2
405-DHS-Eldora	3	0	1
406-DHS-Marshalltown	0	0	0
407-DHS-Cherokee	17	3	7
408-DHS-Clarinda	5	0	2
409-DHS-Independence	16	0	12
410-DHS-Mt Pleasant	6	1	1
411-DHS-Glenwood	31	7	3
412-DHS-Woodward	18	2	1
413-DHS-Central Office	1	0	1
427-Inspections & Appeals	10	0	2
428-DIA-Appellate Defender	3	0	1
429-DIA-Racing Commission	0	0	0
467-Law Enforcement Acad	2	0	0
532-Management	4	0	2
542-Natural Resources	42	2	20
547-Parole Board	0	0	0
552-Personnel	6	3	3
553-IPERS	4	1	2
572-Per Board	0	0	0
582-Public Defense	10	3	1
583-Pub Def-Disaster Services	2	2	1
588-Public Health	17	0	15
595-Public Safety	16	1	6
625-Revenue & Finance	42	4	31
627-DRF-Lottery	4	0	3
635-Secretary of State	2	2	1
642-Gov Ofc/Drug Control Pol	1	0	0
645-Transportation	278	19	64
655-Treasurer	1	0	0
671-Veterans Affairs	28	4	9
CBC's	22		
Fair Authority	5		
			Further information on these positions is not available.
<b>State Totals</b>	<b>1015</b>	<b>131</b>	<b>397</b>

### Minimum Savings Due To Early Out Programs 1, 2, and 3

	Assist Department Budgets			Assist State Budget	Overall
	EO3	EO2	EO1	Delay FY03 ATB by 4 months	
Sch 10	\$ 19,205,472	\$ 9,394,368	\$ 35,718,836	\$ 10,488,408	\$ 74,807,083
Less: pay out bank	\$ 9,133,975	\$ 5,243,819	\$ 22,946,565	-	\$ 37,324,359
Free to re-allocate	\$ 10,071,497	\$ 4,150,549	\$ 12,772,271	\$ 10,488,408	\$ 37,482,724

*Technique:* Net the Sch. 10 amount for the position against the entire Bank owed to the employee.

*Note:* The term SAVINGS is not defined in legislation and may be an inappropriate concept used to describe the net impact of these Programs. The summary above is based on total funds and does not address which accounting time period the surplus is realized. The Programs' goals were to assist department management in dealing with tight operating budgets and to lessen the use of layoffs. The amount 'free to re-allocate' is attributable to the direct impact of legislation and subsequent actions of departments' management which may increase or decrease the net amount are not considered.